

Message Text

UNCLASSIFIED

PAGE 01 OTTAWA 03680 122123Z

70

ACTION EB-06

INFO OCT-01 EUR-12 ISO-00 AEC-07 AID-05 CEA-01 CIAE-00

CIEP-02 COME-00 DODE-00 FPC-01 H-02 INR-07 INT-05

L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01 OES-04

SP-02 SS-15 STR-04 TRSE-00 FRB-01 FEA-01 PA-02 PRS-01

USIA-15 /107 W

----- 080877

P 122051Z NOV 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 4950

UNCLAS OTTAWA 3680

POUCHED TO ALL CANADIAN CONSULATES FOR INFO

EO 11652 NA

TAGS ENRG ETRD CA

SUBJ ENERGY: DECEMBER OIL EXPORT CHARGE

1. GOC ANNOUNCED LATE FRIDAY, NOVEMBER 8 THAT CRUDE OIL EXPORT CHARGE FOR DECEMBER WOULD REMAIN AT \$5.20 PER BARREL WITH FOLLOWING EXCEPTIONS:

A. CHARGE ON CERTAIN DESIGNATED HEAVY CRUDE OILS (GENERALLY THOSE LESS THAN 27 DEGREES API GRAVITY) WOULD BE REDUCED 50 CENTS PER BARREL TO \$4.70. THESE CRUDES HAD BEEN SUBJECT TO 50 CENT PER BARREL TAX REMISSION BY NATIONAL ENERGY BOARD (NEB) IN NOVEMBER; THEREFORE NET EFFECT OF GOC ACTION FOR DECEMBER IS UNCHANGED EXCEPT IN FORMAT.

B. CHARGE ON LLOYDMINSTER HEAVY CRUDE OIL BLENDS (GENERALLY THOSE WITH LESS THAN 21 DEGREES API GRAVITY) IS REDUCED BY \$1.10 PER BARREL TO TOTAL OF \$4.10.

2. NO RPT NO DECISION HAS YET BEEN MADE BY NEB ON
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 OTTAWA 03680 122123Z

DECEMBER EXPORT CHARGES RELATIVE TO DOMESTIC PETROLEUM

PRODUCT EXPORTS.

3. PRESS REPORTS THAT WHILE NEB HAD RECOMMENDED THAT CHARGE ON LLOYDMINSTER OILS SHOULD HAVE BEEN REDUCED BY \$1.70 INSTEAD OF ONLY \$1.10, THE FEDERAL GOVERNMENT HAD DECIDED OTHERWISE. IN THIS REGARD, ENERGY MINISTER MACDONALD IS QUOTED AS STATING THAT "THE BOARD CONCLUDED THAT A FURTHER REDUCTION OF UP TO 60 CENTS A BARREL MIGHT BE REQUIRED TO MAINTAIN EXPORT OUTLETS". PRESS SPECULATES THAT, SHOULD THIS EXTRA 60-CENT "DISCOUNT" BE NEEDED TO KEEP HEAVY OILS FLOWING INTO THE EXPORT MARKET, THEN THE DISCOUNT WILL HAVE TO COME OUT OF THE POCKETS OF EITHER THE EXPORTING OIL COMPANIES OR "MORE LIKELY" FROM THE PRODUCING PROVINCE THROUGH A DOWNWARD ADJUSTMENT IN THE WELL-HEAD PRICE.

4. PRESS INTERVIEWS WITH COMPANIES, HOWEVER, INDICATE THAT THERE IS "NO ROOM" LEFT TO LOWER PRICES AND THAT THE EXPORT CHARGE WOULD HAVE TO BE REDUCED TO ABOUT \$3.20 PER BARREL TO PERMIT FURTHER SALES OF HEAVY OILS IN U.S. MARKETS.
PORTER

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, EXPORTS, CUSTOMS DUTIES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 NOV 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974OTTAWA03680
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D740326-0140
From: OTTAWA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741150/aaaabqrt.tel
Line Count: 84
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 13 NOV 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <13 NOV 2002 by boyleja>; APPROVED <29 NOV 2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ENERGY: DECEMBER OIL EXPORT CHARGE
TAGS: ENRG, ETRD, CA
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005